

- Unemployment rate rises to 4.7% in July; still among the lowest in the country
- Fewer babies born in BC than in Alberta in 2004; fertility rate among lowest in Canada
- Imported beers gaining a foothold in the BC market

Labour Force

- After dropping to a new low of 4.3% (*seasonally adjusted*) in June, BC's unemployment rate jumped 0.4 percentage points in July, rising to 4.7%. The increase in the jobless rate was the result of strong labour force growth (+0.6%) that significantly outpaced employment gains (+0.2%) in July.

British Columbia's unemployment rate remained well below the national average (6.4%) in July. With jobless rates of 4.7%, residents of BC, Manitoba and Saskatchewan were less likely to be unemployed than Canadians in every other province except Alberta (3.6%). Unemployment rates increased in most parts of the country, rising 0.3 percentage points at the national level. Canada-wide, the labour force grew 0.4%, while the number of people with jobs was unchanged from June.

Data Source: Statistics Canada

- Employment growth was concentrated in the goods sector, where the number of people with jobs increased 3.1% in July. With the exception of forestry, fishing & mining (-3.1%), every major industry in the goods sector took on substantially more workers. The number of jobs in the service sector slipped back 0.6% in July, reversing the gain in the previous month. Job losses were particularly large in transportation & warehousing (-7.7%) and wholesale & retail trade (-5.5%).

Young people looking for work continued to face fewer difficulties than in the past. The youth (aged 15-24) unemployment rate remained well below historic levels, at 8.6%. However, this was more than double the rate (3.9%) for adults aged 25 and over who were seeking work.

- Among the regions, jobless rates ranged from 3.8% (3-month moving average, unadjusted) in Northeast to 6.8% in Cariboo. Relative to the same month last year, all regions except Northeast and North Coast/Nechako recorded both labour force and employment growth. Kamloops (5.8%), Kelowna (5.6%) and Prince George (5.3%) were the only major urban centres where the unemployment rate was higher than five percent in July.

Victoria's unemployment rate was 3.3% (*seasonally adjusted*), considerably lower than the rate in Vancouver (4.0%) and Abbotsford (4.1%).

Data Source: Statistics Canada & BC Stats

Births

- There were 40,489 births in BC in 2004, virtually unchanged from 2003. Alberta, where the number of births was up 1.2% (to 40,779), replaced BC in third spot for number of births after Ontario and Quebec. Nationally, the number of births increased 0.6% to 337,072. The average age of women giving birth in Canada continued its upward trend, rising to 29.2 years. Just 21% of mothers were 24 and under, about half the percentage (41%) in 1979. Mothers in BC and Ontario were the oldest in the country, with an average age of 29.9 years in 2004.

Data Source: S.C. Cat. #84F0210XIE Vol. 1

- The total fertility rate (TFR) in BC (i.e., the average number of children that women aged 15 to 49 will have in their lifetime) was 1.4 in 2004, among the lowest in the country. Newfoundland and Labrador (1.3), New Brunswick (1.4) and Nova Scotia (1.4) were the only other provinces with fertility rates lower than the national average (1.5). Nunavut (3.0) had by far the highest TFR, followed by the Northwest Territories (2.0), Saskatchewan (1.9) and Mani-

Did you know...

With approximately 8% of its territory covered by lakes, Canada has more lake area than any other country in the world. *Source: Environment Canada*

toba (1.8). Most of these regional TFRs were unchanged from 2003 to 2004.

BC's crude birth rate (the number of live births per 1,000 people) in 2004 (9.6), was the fourth lowest in Canada. The national rate edged down to 10.5, from 10.6 in 2003, hitting an all-time low. Among the provinces, Alberta had the highest crude birth rate (12.7), but Nunavut (25.2) far outpaced the rest of the country.

Data Source: S.C. Cat. #84F0210XIE Vol. 1

Liquor Sales

- **Imported beers are gaining an increasingly strong toehold in the BC beer market.** During the twelve-month period ending in June, the BC Liquor Distribution Branch sold 34 million litres of imported beer, an increase of 10.4% over the previous year. Imported beer accounted for almost 13% of total beer sales during the twelve-month period. Sales of imported beer have been increasing steadily, while sales of domestic beer have shown more volatility.

With almost 75% of the total market share, beer is by far the most popular product sold at liquor stores. Wine (13%), spirits (6%), cider (2%) and coolers (3%) account for smaller shares of the total volume sold. However, wine sales have been increasing. Total sales in litres of wine increased by 6.6% during the twelve-month period ending in June and, unlike beer, domestic and imported wines are relatively equal in popularity.

Data Source: BC Liquor Distribution Branch data

Moving Out

- **Young adults are taking longer to fly the parental coop than their parents did.** A comparison between early baby boomers (born between 1947 and 1956) and Generation Xers (those born between 1967 and 1976) indicates that approximately 14% of early boomers returned home after their first attempt at leaving, compared to almost a quarter (22%) of Generation Xers. Men in the early boomers group had a 49% to 59% probability of leaving home for the first time before their 22nd birthday. Among Generation Xers, the likelihood of doing the same was significantly lower (between 46% and 53%). Women of both generations tended to leave home earlier than men, largely because they tend to marry and cohabit at younger ages.

Economic conditions were a key factor in the increased age of young people leaving the nest between the two generations. The incentive for independence from the family home is reduced, for instance, when well-paying jobs are less plentiful and wages for young workers decline.

Regardless of generation, there are key socio-economic factors associated with leaving home. Young people from non-traditional and large families were more likely to leave the nest sooner, as were those from smaller towns. A higher education prompted earlier departures for men, but the reverse was true for women.

Data Source: S.C. Cat. #11-008-XIVE Vol. 82

Internet Use

- **In 2005, heavy Internet users (those who spend more than one hour daily online) spent substantially less time in social contact than those who were less attached to their computers.** Heavy Internet users spent nearly two more hours alone during the day than did non-users. Internet use also took away from time spent on domestic work such as housekeeping and child care. Frequent users devoted 33 minutes less each day to these activities than non-users. They also devoted less time to paid work, and activities such as sleeping, relaxing, resting or thinking, but spent more time reading books. Heavy Internet users were an average of almost eight years younger than non-users and six out of 10 surf-happy Canadians were men.

Data Source: S.C. Cat. #56F0004MIE 200613

The Nation

- **Canada's economy stalled in May, with real GDP remaining virtually unchanged (-0.0%, seasonally adjusted) from the previous month.** This marked the third straight month in which the economy has seen little or no growth. The goods sector continued to shrink in May (-0.5%) with GDP in mining & oil & gas extraction falling 2.3%, while construction (-1.2%) and utilities (-0.5%) slowed. The service sector posted a modest 0.2% increase, boosted by robust activity in the wholesale trade (+0.9%) and accommodation & food services (+0.6%) industries.

Data Source: Statistics Canada

*Infoline Issue: 06-31
August 4th, 2006*

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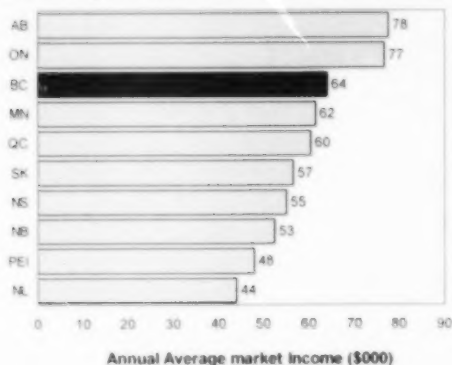
Originally published in *Earnings and Employment Trends* Issue 06-06. Annual Subscription \$60 +GST

Income and Income Distribution: Comparisons between B.C. and the Rest of Canada

In 2000, the average market income¹ of families in BC was \$62,400². In the two following years, 2001 and 2002, average income levels rose, and then fell in 2003, rebounding in 2004 to \$64,100 (most recent year available).

Over the last twenty years, Ontario consistently had the highest average family income in Canada until 2003, when Alberta took over the lead. In 2004, Ontario families were earning 16.4 per cent more than BC families while Alberta families earned 17.3 per cent more. In BC, the 2004 level was still below the high point of 2002.

In 2004, the average market income¹ of BC families was the third highest in Canada, after Ontario and Alberta.



1995 was the last year when BC reported a higher average family income than Alberta. While BC and Alberta had similar income levels at the beginning of the 1990s, things began to change in the latter

part of the decade when Alberta family incomes pulled ahead of BC. The average family income level in Alberta in 2004 was 14 per cent above the 1990 level, while BC had seen virtually no change at all. Both provinces suffered some declines in real income growth during the 1990s, although the last few years of the 1990s were good ones for Alberta, with average family market income increasing by 21 per cent from 1995 to 2000. Since 2000, average incomes in Alberta have been fairly stable with levels in 2004 slightly below those in 2000. Family incomes in BC grew by 4 per cent during the same period. Still, the gap between family incomes in BC and Alberta continued to increase in this century and by 2004 was \$13,000.

In 2004, families in the poorest province in the country, Newfoundland, earned only 57 per cent of what Alberta families earned, and that gap has been widening slightly since 1999.

Averages reveal nothing about the disparity of incomes between families. Below, we look at the difference in income of the rich (defined here as the 20 per cent of families with the highest incomes) and the poor (the 20 per cent of families with the lowest incomes).

In 2004, the average market income of poor families in BC was \$8,800 compared to the average of \$147,700 for rich families. The poor earned only 6.0 per cent of what the rich earned. This 6.0 per cent represents the market income gap between the rich and the poor in BC.

Since 1990, this income gap at 6.0 per cent falls somewhere in between the high and the low. The most inequitable time was in

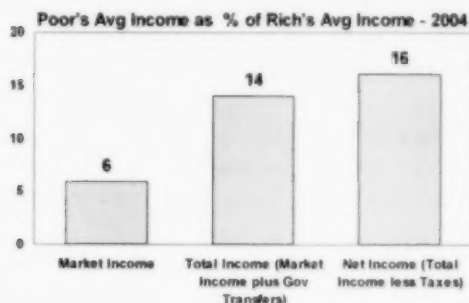
¹ Market Income includes earnings, investment income, retirement pensions, and other incidental market income. It excludes all government transfers.

² In constant 2004 \$.

2001, when the poor had income levels only 4.5 per cent of that of the rich. The gap was at its lowest in 1991, when the gap was 6.8 per cent.

The discussion to this point has referred to the market income gap, which does not take into consideration government income redistribution policies. A better measure of the difference in how families fare financially is the comparison of family income after transfer payments³ and after federal and provincial taxes. Relative to market income (\$64,100), BC average family income is increased by transfer payments to \$72,200 but reduced by taxes to \$60,400. In that process, income is shifted from the rich to the poor.

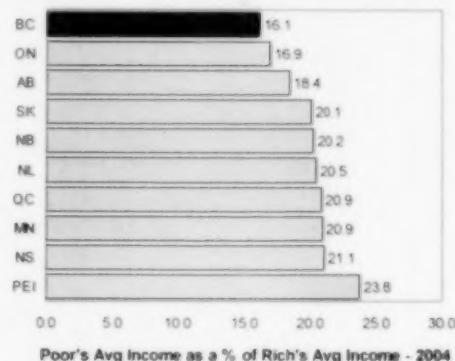
In BC, the redistribution of income reduces the income gap between the rich and the poor by 10 percentage points from 94 to 84 percentage points.



The income gap determined purely by market forces is tempered considerably by these income redistribution policies. A full 8 percentage points is knocked off through transfer payments, a further 2 percentage points through income taxes, for a total of 10 percentage points.

How does BC's gap between the rich and the poor compare to other provinces in the country? The next chart of comparative income gaps (after transfers and taxes) shows that the "have" provinces, in general, have a wider income gap than the "have-not" provinces.

Among the provinces, BC had the worst income gap between the rich and the poor.



Despite Alberta's rich having the highest average income in Canada, after transfers and taxes, of \$134,400, compared to BC's rich at \$119,900, there is less inequity in Alberta as the benefits of Alberta's strong economy have been spread more broadly. The average income level of their poor (\$24,700) is 17 per cent above the level of average income of the poor in BC (\$19,300).

³ Includes such items as Old Age Pension, Canada Pension Plan, provincial income assistance, provincial tax credits, etc.

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 also on the Internet at www.bcstats.gov.bc.ca

<i>BC at a glance . . .</i>		
POPULATION (thousands)		
	Apr 1/06	% change on one year ago
BC	4,292.2	1.3
Canada	32,501.1	1.0
GDP and INCOME		
(BC - at market prices)	2005	% change on one year ago
Gross Domestic Product (GDP) (\$ millions)	168,011	6.8
GDP (\$ 1997 millions)	144,028	3.5
GDP (\$ 1997 per Capita)	33,853	2.2
Personal Disposable Income (\$ 1997 per Capita)	20,693	2.5
TRADE (\$ millions, seasonally adjusted)		
		% change on prev. month
Manufacturing Shipments - May	3,769	0.9
Merchandise Exports - May	2,683	-3.0
Retail Sales - May	4,491	1.3
CONSUMER PRICE INDEX		
(all items - Jun 2006)	% change on one year ago	12-month avg % change
BC	2.2	2.0
Vancouver	2.1	1.8
Victoria	1.9	2.1
Canada	2.5	2.5
LABOUR FORCE (thousands)		
(seasonally adjusted)	Jul '06	% change on prev. month
Labour Force - BC	2,304	0.6
Employed - BC	2,196	0.2
Unemployed - BC	108	11.3
		Jun '06
Unemployment Rate - BC (percent)	4.7	4.3
Unemployment Rate - Canada (percent)	6.4	6.1
INTEREST RATES (percent)		
	Aug 2/06	Aug 3/05
Prime Business Rate	6.00	4.25
Conventional Mortgages - 1 year	6.60	4.90
- 5 year	6.95	5.80
US/CANADA EXCHANGE RATE		
	Aug 2/06	Aug 3/05
(avg. noon spot rate) Cdn \$	1.1259	1.2129
US \$ (reciprocal of the closing rate)	0.8882	0.8245
AVERAGE WEEKLY WAGE RATE		
(industrial aggregate - dollars)	Jul '06	% change on one year ago
BC	721.25	3.2
Canada	729.45	3.9
SOURCES:		
Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada		
Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics		
For latest Weekly Financial Statistics see www.bankofcanada.ca		

BC and Regional population projections

Projected population to 2031 for British Columbia and a variety of small regions within B.C. (P.E.O.P.L.E. 31).

www.bcstats.gov.bc.ca/data/pop/pop/popproj.asp#admin

Regional employment projections

BC Stats, with the financial assistance of the Ministry of Advanced Education, developed the Regional Employment Projection Model (REPM), designed to project industrial and occupational employment in regions of the Province of British Columbia.

www.bcstats.gov.bc.ca/data/lss/repn.asp

Socio-Economic Profiles & Indices 2005

Updated annually, this body of work provides a coherent and relatively comprehensive measurement of social stressors at sub-provincial areas. Charts, tables and, within the indices, consolidated rankings, make the information broadly accessible.

www.bcstats.gov.bc.ca/data/sep/index.asp

Released this week by BC STATS

- Labour Force Survey, July 2006
- Earnings and Employment Trends, July 2006
- Tourism Sector Monitor, July 2006

Next week

- Small Business Quarterly, 2nd Quarter 2006

